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**CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT**

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COUNTRY Austria**DATE:** 25X1**SUBJECT** Soviet Economic Activities in Austria**INFO.****DIST.** 16 May 1947**PAGES** 2**SUPPLEMENT**

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- 25X1 1. The Russians are aware that a high percentage of the property seized as German was taken illegally. Dr. Stanislaus Dubik, USIVA (Administration of Soviet Property in Eastern Austria) Legal Adviser, has made it clear to Fedotyev, head of the legal section, that the Soviets cannot prove title in numerous cases. Approximately 285 Russian administrators are currently engaged in the supervision of seized properties.
2. Krolevsky, head of the review board on Austrian appeals, spends large sums bringing in Austrians to testify that the properties in question are German-owned. The Soviet office at 4 Starhembergasse, Vienna IV, has a section which produces false documents purporting to prove German ownership.

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- 25X1 4. [redacted] the Soviets will not relinquish the following for reasons given below:

- a. The Zistersdorf oil production is needed not for USSR consumption but as a means of acquiring foreign exchange through sales to Czechoslovakia and other countries. [redacted] the Brucker Zuckerfabrik Clemens Auer at Bruck a/d Leitha is probably in the same category as it was several weeks ago. Bobir, chief of the light industries section of USIVA, sold sugar valued at 90,000 forint to Hungary.
- b. Almost as important as the oil concern is the Glanzstoff-Fabrik St. Pölten A.G., considered one of the largest factories of its kind in Europe. The USSR needs textiles badly.

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c. The Mannesmann-Trauzl A.G. Works, Vienna XXI, manufactures every type of equipment and machinery for oil wells in the Soviet Zone of Austria and for export. The Soviets stripped the plant of equipment in 1945 but restored it in 1946.

d. With regard to metal, the Soviet Union is in urgent need of ferrous metals [REDACTED]

[REDACTED] order from Stalin directing that 300,000 tons of iron be delivered to the USSR from Austria as soon as possible. [REDACTED] the quota would be met by stripping tanks, vehicles, etc., in the Soviet Zone.

e. The total output of Optische Anstalt C.F. Goerz GmbH., Vienna X, is sent to the USSR. The Russians will probably retain the plant and its skilled specialists in Vienna.

f. The Soviets need all industries producing leather goods, such as the Stadlau leather industries Budischowsky und Soehne, Konrath, and Zeller. [REDACTED]

[REDACTED] the USSR would furnish the tannin and raw material to this works.

5. Soviet authorities in Vienna are currently concerned over German property in Vienna I, particularly credit institutes. [REDACTED]

[REDACTED] the Soviets had 23,500,000 schillings capital in their bank at Starhembergsgasse as of October 1946. USIVA desires other types of currency, including Czechoslovakian and Hungarian, and must sell Austrian products, even food, to acquire this.

6. The first factories to be sold to the Austrians will be brick works. These are worthless to the Soviets and require supplies of hard-to-get raw materials.

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